

U.S. PROPERTY AND FISCAL OFFICE

ARIZONA ARMY NATIONAL GUARD



STANDARD OPERATING PROCEDURES

FOR USE OF THE

DEPARTMENT OF DEFENSE PURCHASE

CREDIT CARD

NOVEMBER 2002

ACQUISITION

IMPACT CREDIT CARD

Summary: This SOP prescribes responsibilities and uniform procedures for implementing and using the Department of Defense purchase credit card within the Arizona Army National Guard.

Interim Changes: Interim changes to this SOP are not official unless published by the USPFO For Arizona, Purchasing & Contracting Office, AZAA-PFP. Interim Changes shall be destroyed on their expiration dates unless sooner rescinded or superseded.

Applicability: This SOP applies to the Arizona Army National Guard credit card holders and billing officials.

Suggested Improvements: Users are invited to submit comments and suggested improvements in writing to AZAA-PFP.

This SOP supersedes AZ Army National Guard Decentralized Cardholder SOP, dated May 2002.

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- B. Army Federal Acquisition Regulation

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- C. National Guard Federal Acquisition Regulation Supplement, Subpart 13.301
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- E. ADP Equipment/Supplies Contracts
- F. Privilege Tax Letter
- G. Cardholder Statement of Account
- H. Billing Official Statement of Account
- I. Statement of Questioned Item Form
- J. Cardholder Maintenance Form

**ARIZONA ARMY NATIONAL GUARD
DECENTRALIZED CARDHOLDER STANDARD OPERATING PROCEDURES
FOR USE OF THE
GOVERNMENT WIDE COMMERCIAL CREDIT CARD**

Chapter 1

- 1.1 PURPOSE:** To provide instructions on the proper use of the GSA Government Wide Credit Card IAW the Federal Acquisition Regulation (FAR) (Attachment A), the Department of Defense Federal Acquisition Regulation Supplement (DFARS), the Army Federal Acquisition Regulation Supplement (AFARS) (Attachment B), the National Guard Federal Acquisition Regulation Supplement (NGFARS) (Attachment C) and Department of Army SOP.
- 1.2 SCOPE:** These procedures apply to the Arizona Army National Guard contracting office, credit card users, billing officials and their commanders.
- 1.3 OBJECTIVE:** Use of the masculine gender in this Standard Operating Procedure is used to indicate both genders to reduce administrative load.
- 1.4 USE:** In accordance with Army Federal Acquisition Regulation Supplement, Subpart 5113.2 (Attachment B) and National Guard Federal Acquisition Regulation Supplement, Subpart 13.301 (Attachment C), the credit card **SHALL** be used for **ALL** micro purchases under \$2,500.00.

The credit card is strictly for official **U.S. GOVERNMENT PURCHASES ONLY**. Use for other than official government business will result in immediate cancellation of the card. The credit card is specially marked **FOR OFFICIAL USE ONLY** so that it won't be mistaken for a personal credit card.

1.5 REFERENCES:

- a. Federal Acquisition Regulation (FAR), Parts 8 (Attachment A) and 13.
- b. Army Federal Acquisition Regulation Supplement (AFARS) 5113.2 (Attachment B).
- c. National Guard Federal Acquisition Regulation Supplement (NGFARS) 13.301 (Attachment C).
- d. Department of Army SOP, 31JUL02

1.6 TRAINING:

All cardholders and billing officials are required to attend a MANDATORY block of instruction on Ethics, Micro Purchase Procedures and the proper use of the card. Additionally, cardholders are required to sign: an Ordering Officer Authority letter which states spending limits, type items authorized to be purchased and designated Billing Official; a Procurement Integrity Certificate; and a Joint Ethics Regulation (DOD 5500.7R) statement.

Chapter 2

- 2.1 **SAFEGUARDING CREDIT CARDS:** Credit cards will be treated in the same manner as cash. The credit card is the cardholder's responsibility and they are personally liable for any misuse of their card.
- 2.2 **LOST OR STOLEN CREDIT CARDS:** A cardholder who loses or has his credit card stolen, will immediately notify the bank @ 1-888-994-6722. In addition to notifying the bank, the cardholder must also notify his billing official WITHIN ONE WORKDAY after discovery of the loss or theft of the card. The billing official is then required to make a written report to the Agency Program Coordinator WITHIN FIVE WORKDAYS. The report will include complete information as to the date the loss was discovered, the location where the loss occurred if known, the purchases that the cardholder had made prior to the loss and any other information that may be considered pertinent.

Chapter 3

- 3.1 **HOW TO OBTAIN A CREDIT CARD:** Individuals must have a completed Cardholder Set-Up form on file with the Agency Program Coordinator submitted through their appropriate Billing Official. Requests will be reviewed and when approved, the Agency Program Coordinator will contact the individuals for any additional information needed and notify them when the next MANDATORY credit card class will be held.

Chapter 4

- 4.1 **CARDHOLDER RESPONSIBILITIES:** The credit card is assigned to the cardholder **ONLY** and is embossed with the cardholder's name. Cardholder's **CANNOT** give/loan it or release the number to another individual to use. The cardholder is required to personally and physically make each purchase.
- 4.2 **ORDERING OFFICER AUTHORITY:** The Ordering Officer Authority letter defines the cardholder's spending limits and type of items authorized to purchase. The cardholder is responsible for complying with these limits. Letter also states who the cardholder's designated billing official is.
- a. **SPENDING LIMITS:** The cardholder will be assigned a single purchase limit (not to exceed \$2,500.00), which is the maximum amount authorized to spend on any single purchase. A monthly purchase limit, which is the total authorized to spend in any given month. A monthly office limit, which is the amount that a billing official is authorized in any given month for ALL the cardholders for which he is responsible, will also be assigned.
 - b. If the cardholder determines his spending limits are insufficient, he should notify his billing official in writing justifying an increase/decrease to his limits. The billing official will contact the Agency Program Coordinator via memorandum requesting to have limits changed.
 - c. The cardholder is further responsible for adhering to Simplified Acquisition Procedures in accordance with the Federal Acquisition Regulation (FAR) and all appropriate supplements.

REMEMBER, this card is for OFFICIAL GOVERNMENT USE ONLY, it is not a personal credit card.

- 4.3 **ITEMS NOT AUTHORIZED TO PURCHASE UNDER ANY CIRCUMSTANCES OR REQUIRE PREPURCHASE APPROVAL:**

This list identifies the most common categories of requirements that are prohibited or require some form of pre-purchase approvals. It is not all-inclusive. Cardholders should contact local authorities prior to purchasing any items that seems questionable or may have the appearance of being inappropriate. Prior to making a purchase that could cause one to question the appropriate expenditure of taxpayers' money, cardholders will obtain pre-purchase approval from the appropriate authority.

4.4 PROHIBITED ITEMS

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| a. Cash Advances | Money orders, traveler checks, and gift certificates are also considered to be cash advances and shall not be purchased by cardholders to obtain items from merchants who do not accept the GPC. |
| b. Travel Related Purchases | This includes rental/lease of motor vehicles associated with travel or temporary duty, purchase of airline, bus and train tickets, meals, drinks, lodging, or other travel/subsistence costs associated with official Government travel. |
| c. Rental or Lease of Land & Buildings | |
| d. Fuel | Aviation, diesel, gasoline fuel or oil for aircraft. |
| e. Repair of Leased Vehicles | Repairs on leased or GSA fleet operated vehicles. |
| f. Gifts/Mementos | The purchase of gifts/mementos for individuals. |
| g. Telecommunication Systems | Major telecommunications systems such as FTS or DSN |
| h. Construction Services > \$2000 | |
| i. Wire Transfers | |
| j. Savings Bonds | |
| k. Foreign Currency | |
| l. Dating & Escort | |

Services

- m. Betting, Casino Gaming Chips, Off-Track Betting
- n. Transactions with Political Organizations
- o. Court Costs, Alimony, Child Support
- p. Fines
- q. Bail and Bond Payments
- r. Tax Payments
- s. Untreated Wood Wood used for packaging and crating cannot be procured after 10 October 02 unless it is treated for Parasites.

4.5 ITEMS REQUIRING PRE-PURCHASE APPROVAL

- a. Printing FAR 8.802 prohibits directly contacting commercial sources. Defense Automated Printing Service (DAPS) is the mandatory source for all printing/ reproduction services over \$1,000.00.
- b. Hazardous Material Approval from FMO Environmental Office (267-2665) regarding current MSDS.
- c. Pharmaceutical Items (DA Form 2765) Prior to purchasing other types of medical supplies, contact Supervisor Supply Systems Analyst (267-2839).
- d. ADPE Supplies & Accessories All ADPE accessories require approval from DOIM. Automated Data Processing Equipment (i.e.; computers, hardware, etc. (Refer to Attachment E).
- e. Ergonomic Related Injury should be verified by

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| and Low-vision Equipment | <p>medical documentation and supervisor's approval must be obtained before purchasing. Before using agency funds, we recommend that the Computer/Electronic Accommodations Program (CAP) office first be considered as they may approve and thus fund the purchase. CAP is a centrally funded program and provides ergonomic related equipment and low vision equipment for all DOD employees. The point of contact is Ms. Dinah Cohen. Email address: Dinah.Cohen@tma.osd.mil. Web Site: http://www.tricare.osd.mil/cap/</p> |
| f. Personal Purchases | <p>Cardholders are prohibited from purchasing items for personal convenience/not for official Government use and non mission essential with the purchase card. This includes, but not limited to, all appliances, handheld/portable electronic devices, clothing, and seasonal decorations. These items should be purchased through employee collections and/or personal funds.</p> |
| g. Bottled Water Services | <p>Cardholders are prohibited from purchasing bottled water service with their purchase card.</p> <p>Limited Exception: If an agency has a report, from an outside water-testing agency, determining that the drinking water is harmful if consumed.</p> |
| h. Subsistence/Food | <p>Refer to DCSLOG LOI</p> |
| i. Trophies, Awards, Plaques, and Mementos as give away items for hails & farewells and Other Occasions | <p>Cardholders are prohibited from purchasing give-away items.</p> <p>Limited Exception: The purchase of give-away items in support of employee recognition programs or by recruiters may be authorized if accomplished within authorizing regulation or an approved awards program.</p> |

- j. Business Cards Cardholders are not authorized to purchase business cards.

Limited Exception: A DOD memo dated August 28th, 1998 authorizes the printing of business cards using existing software and agency-purchase card stock for use in connection with official activities.

4.6 PURCHASING:

- a. Purchasing will be done in accordance with ALL Acquisition Regulations and Simplified Acquisition Procedures noted in paragraphs 1.1 and 1.5 of this SOP. **Prior to making any purchase, ensure funds are available and obtain any/all required pre-purchase approvals with your billing official.** When making a purchase, the cardholder must retain ALL charge slips and itemized receipts to reconcile his statement at the end of the month. Any discrepancies will be handled as stated in the Discrepancy Procedures, Chapter 7 of SOP.
- b. The cardholder is responsible, at the time of purchase, to ensure that ALL charge slips are properly completed (ie: date, nomenclature, dollar amount, etc). Cardholder must also ensure that there is a brief description, not just a part number, for each item purchased on the sales slip. If vendor is unable to provide an ITEMIZED receipt, the cardholder MUST annotate information on back of sales slip. If items were purchased from other than MANDATORY sources, receipts MUST be documented as to why deviated.
- c. The itemized sales receipts must be retained by the cardholder and attached to their monthly statement. If receipts are lost/misplaced, a written explanation must be attached to their statement explaining what was purchased and what happened to the documentation. If receipts are lost/misplaced on a recurring basis, the credit card could possibly be suspended.
- d. All credit card purchases are sales tax exempt. The State of Arizona however, does charge a Transaction Privilege Tax in accordance with Section 42-5061 (L) of the Arizona Revised Statutes and the United States Government is

required to pay ½ of this Privilege Tax. Refer to (Attachment F) to determine what tax rate applies to the area from which you are purchasing. If the cardholder is charged a rate greater than ½ of the Privilege Tax, it is the sole responsibility of the cardholder to return to the vendor to have the additional charge removed in the form of a credit to his card.

- 4.7 MONTHLY RECONCILIATIONS:** The week following the close of the billing cycle, (23rd of each month), the cardholder will receive a Statement of Account (Attachment G) from the bank. The cardholder will review this statement and attach **ALL** receipts for each purchase/credits shown on statement; sign the back certifying accuracy; and forward to his billing official as defined in the Ordering Officer Authority letter within THREE BUSINESS DAYS of receiving the statement. (NOTE: IF CARDHOLDER IS LATE, THEY WILL BE WARNED; LATE AGAIN, THE CREDIT CARD WILL AUTOMATICALLY BE CANCELLED). If cardholder is unavailable to sign their statement (ie: leave, training, travel), he should forward all receipts to his billing official prior to leaving. The billing official will indicate NOT AVAILABLE TO SIGN and initial in cardholder's signature space.
- 4.8 JUSTIFICATION:** If requested by the USPFO, Purchasing & Contracting Division or his billing official, the cardholder will justify the requirement for any questioned purchase.

Chapter 5

- 5.1 BILLING OFFICIAL RESPONSIBILITIES:** The billing official is responsible for reviewing his cardholders' statements each month to ensure all credit card transactions were authorized, proper and required and certifying as such so that payment can be made. When the billing official certifies payment can be made, he is asserting that all purchases are correct, were authorized and required to fulfill mission requirements, did not exceed the cardholders' single/monthly purchase limits, were not split to circumvent the single purchase limit and ALL items accountable on property book if required.
- a. **SPENDING LIMITS:** When the cardholder determines his spending limits are insufficient, the billing official shall request an increase/decrease to this limit by contacting the Agency Program Coordinator via memorandum. The Agency Program Coordinator is

the only person authorized to change cardholder limits.

b. **MONTHLY RECONCILIATIONS:**

1. Billing Officials will, at the beginning of each month, input an estimated expenditure amount to the AFCOS, Other Reservations screen. The correct Standard Document number and accounting classification as provided to the billing officials will be used. This will be backed up with a sequentially numbered Transmittal Letter (T/L) sent to USPFO Accounting Office to authorize moving the reservation into obligations. This can be done either monthly or at the beginning of the year with 12 months of estimations and one T/L. The obligation must be posted to the State Accounting Budget and Reservation System (SABERS) before the payment is made by Commercial Accounts.
2. The week following the close of the billing cycle, (23rd of each month), the billing official will receive a billing statement (Attachment H) detailing all cardholder's transactions assigned to them. IMMEDIATELY date/time stamp, review, sign, date and attach appropriate funding citations referencing the correct month. Forward original NLT the 10th of the month or the next working day to Commercial Accounts, AZAA-PFC-VP for payment and a copy to Purchasing, AZAA-PFP. **DO NOT** hold statement while waiting for cardholder statements.
3. The billing official must sign the back of his statement to authorize payment and by so doing, certifies that He understands he will be responsible for repaying the organization for any purchases that do not meet the requirements as determined by later audit and/or reconciliation. He should also understand that the Disbursing Officer will charge interest for late payments.
4. Failure to comply with procedures in a timely manner **WILL** result in cancellation of authority, thus leaving cardholders unable to utilize their cards.
5. Individual cardholder's statements and original invoices must be reviewed, approved, signed and forwarded within two working days to Purchasing, AZAA-PFP.

Chapter 6

SMALL PURCHASE PROCEDURES:

- 6.1 Utilize mandatory sources of supply in order of priority as stated in FAR Part 8, (Attachment D) and DCSLOG LOI, giving preference to RECYCLED items.
- 6.2 Each single purchase may be comprised of multiple items but the total (to include shipping charges and any appropriate taxes) cannot exceed the single purchase dollar limit (\$2500.00) as stated in the cardholder's Ordering Officer Authority letter.
- 6.3 Orders WILL NOT BE SPLIT to avoid the single purchase limitation.
- 6.4 When making a purchase, it is the cardholder's responsibility to determine if the price is fair and reasonable. This can be done by comparison with other vendors or catalog pricing.
- 6.5 Durable/non expendable items must be accounted for on the property book.
- 6.6 Purchases shall be distributed equitably among qualified suppliers. If practical, a quotation shall be solicited from other than the previous vendor before making a repeat purchase.
- 6.7 Pricing is to be obtained on an or equal basis. The least expensive item that meets your minimum needs shall be purchased.
- 6.8 Do not accept a gratuity. Acceptance of gifts and/or favors designed to influence the cardholder's impartiality is not authorized.
- 6.9 Avoid purchases from a government employee, such as a National Guard member who has a family owned business.
- 6.10 Vendors who do NOT accept the Visa credit card and all other avenues to secure supplies/services are exhausted, use of CONVENIENCE CHECKS may be authorized. (Contact USPFO Purchasing @ 267-2849).

Chapter 7

DISCREPANCY PROCEDURES:

- 7.1 When a cardholder discovers an incorrect amount has been charged for purchases or the item is identified as being defective, the cardholder will immediately seek

to resolve the problem directly with the vendor. If not resolved within sixty days, complete a STATEMENT OF QUESTIONED ITEM form (Attachment I) indicating the nature of problem (ie: incorrect amount charged, non-receipt of item, etc.) One copy should be retained by the cardholder and attached to their monthly statement when received; one copy forwarded to AZAA-PFP with all receipts and; one copy forwarded to billing official. Original mailed to:

IMPAC GOVERNMENT SERVICES
PO BOX 6347
FARGO ND 58125-6347

Chapter 8

DISCONTINUING CARDHOLDER USE:

8.1 When a cardholder leaves the agency or moves to another office, notify the billing official IMMEDIATELY to prevent delays in billing.

ATTACHMENTS

- A. Federal Army Regulation, Part 8
- B. Federal Acquisition Regulation Supplement, Subpart 5113.2
- C. NGB Federal Acquisition Regulation Supplement, Subpart 13.301
- D. Mandatory Sources of Supply
- E. ADP Equipment/Supplies Contracts
- F. Privilege/Sales Tax Letter
- G. Cardholder Statement of Account
- H. Billing Official Statement of Account
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